GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

STARRED QUESTION NO:440
ANSWERED ON:25.08.2004
DECLINE IN SSI SECTOR
Mahtab Shri Bhartruhari

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a): whether the small scale sector has registered a decline during the first quarter of the current year;

(b): if so, the reasons therefor;

(c): the efforts made by the Government to strengthen the small scale sector; and

(d): the extent of success achieved so far?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY OF PART (a)TO(d) IN RESPECT OF THE LOK SABHA STARRED QUESTION NO. 440 FOR ANSWER ON 25/8/2004.

(a)&(b): As there is time lag of six to nine months in the availability of data on Small Scale Industries, the estimated rate of growth registered during the first quarter of the current financial year i.e. 2004-05 is not available. However, there has been increase in the growth rate in the first three quarters of 2003-04 (April-December, 2003) as compared to the growth rate achieved in the same quarters of the previous year i.e. 2002-03. The estimated rate of growth for the first three quarters of 2003- 04 is 7.57 percent as against 7.38 percent for the same quarters of 2002-03.

(c)&(d): While development of SSIs is primarily the responsibility of the State/UT governments, the Central Government has taken several steps for promoting and strengthening of SSI Sector by implementing various schemes such as Integrated Infrastructure Development, technology upgradation, credit support, marketing and entrepreneurial development etc. In addition, a Comprehensive Policy Package was announced on 30th August, 2000 for the promotion and development of Small Scale Sector to enhance its competitiveness, both domestically and globally. The policy package consists of enhanced fiscal and credit supports, better infrastructure and marketing facilities and incentives for technology upgradation.

Because of these efforts, the SSI Sector has demonstrated the resilience to withstand the competition and it has recorded a rate of growth, which is higher than the overall industrial growth.